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Turkey

Cotton and Products

Cotton update

2007

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Report Highlights:

MY 2007 cotton production is now estimated at 750,000 MT compared to early season estimates of 850,000 MT. Continuing drought and lack of irrigation water lowered cotton production especially in the Aegean and Cukurova regions. Increased domestic consumption caused an increase in imports during MY 2006 and total imports are expected to reach 820,000 MT. Imports are expected to continue to increase during MY 2007 and reach 875,000 MT due declining in domestic production. The United States continues to be the leading supplier proving about fifty-eight percent of the total imports during the first eleven months of MY 2006.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Unscheduled Report
Ankara [TU1]
[TU]

Production

The hottest summer of last seventy years and lack of rains and irrigation water adversely affected MY 2007 cotton crop and production is expected to remain about 750,000 MT compared to early season estimates of 850,000 MT. Lack of irrigation water affected the Aegean region the most where local authorities have to alternate between corn and cotton fields but available water was not enough for neither one of the crop. Availability of irrigation water is expected to decline further in coming years due to climatic chances. Turkish farmers, to be able to produce cotton in a competitive ways, have to adopted modern farming practices such as drip irrigation and utilize drought resistant seeds. Farmers are also continuing to invest in cotton harvesters to cut production costs. Despite picking cotton with harvesters is fairly new in Turkey number of cotton harvesters increased significantly reaching 420 at the end of the MY 2006 compared to 270 of last year. It is estimated that about ninety percent of the Cukurova region cotton will be picked by harvesters.

Production Bonus

Production bonus paid by the GOT plays an important role to attract farmers to plant cotton. In June the GOT had paid production bonus of YTL 0.348 (USD 0.27) for per kilo of MY 2006 seed cotton. Production payments of old crop usually are made in August prior to the harvest of new crop but due to the general elections in July this year it was paid earlier. Two leading coops Taris and Cukobirlik also that are expected to buy 120,000 MT and 100,000 MT of seed cotton from their members respectively.

Consumption

Domestic consumption in MY 2006 estimated to reach 1.65 MMT. Turkish textile mills are continuing to invest and modernized their machinery. In 2006 Turkish firms reported to receive new machinery with about 200,000 spindles and 35,000 rotors. Presently total number of spindles estimated about 6 million and rotors about 700,000. Despite the total number of spindles are the same as the earlier years the modern machines consume significantly more cotton and produce significantly more yarn and than old ones. Despite the increasing competition in world textile markets Turkey manage to increase its export particularly to EU member countries and continue to be the world number three textile exporting country.

Trade

According to the unofficial sources total imports in MY 2006 exceeded early estimates and reached 770,000 MT during first eleven months of the marketing year. Total imports expected to reach 820,000 MT at the end of the marketing year. Imports are projected to increase further in MY 2007 reaching 875,000 MT due to lack of domestic supply and increased consumption. While imports during MY 2006 from Greece and Syria declined significantly it increased from the USA and CIS. India emerged as a new cotton supplier for Turkey and expected to increase its sales in coming years as well due to increasing production and aggressive marketing of Indian companies. Imports from the US continue to increase reaching 450,000MT during the first eleven of the marketing year constituting fifty-eight percent of the total. GSM 102 export credit program continues to play an important role on US cotton sales to Turkey a total of USD 93 million registered during the FY 2007 until mid-July. Registrations for cotton under the GSM-102 program in FY 2008 are expected to increase due to projected increase in US cotton imports.

Note: Country breakdown of exports are not available.
(USD 1 = YTL 1.33)

PSD, Cotton MT

Turkey Cotton (HECTARES)(MT)						
	2005	Revised	2006	Estimate	2007	Forecast
	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]
Market Year Begin		08/2005		08/2006		08/2007
Area Planted	580000	580000	670000	670000	600000	600000
Area Harvested	580000	580000	640000	640000	600000	600000
Beginning Stocks	276025	276025	240237	240237	280237	290237
Production	750000	750000	875000	875000	850000	750000
Imports	744212	744212	775000	820000	800000	875000
MY Imp. from U.S.	412176	412176	425000	475000	450000	500000
TOTAL SUPPLY	1770237	1770237	1890237	1935237	1930237	1915237
Exports	30000	30000	35000	45000	30000	25000
USE Dom. Consumption	1500000	1500000	1575000	1600000	1650000	1650000
Loss Dom. Consumption	0	0	0	0	0	0
TOTAL Dom. Consumption	1500000	1500000	1575000	1600000	1650000	1650000
Ending Stocks	240237	240237	280237	290237	250237	240237
TOTAL DISTRIBUTION	1770237	1770237	1890237	1935237	1930237	1881025

Turkey Cotton (HECTARES)1000 480 lb. Bales(PERCENT)(KG/HA)									
	2005	Revised		2006	Estimate		2007	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		08/2005	08/2005		08/2006	08/2006		08/2007	08/2007
Area Planted	0	0	0	0	0	0	0	0	0
Area Harvested	600	600	580	670	700	640	625	0	600
Beginning Stocks	1790	1790	1270	1698	1698	1105	2038	1648	1335
Production	3550	3550	3450	4020	4000	4025	3600	0	3450
Imports	3383	3383	3423	3600	3100	3772	3500	0	4025
MY Imports from U.S.	0	0	1896	0	0	2185	0	0	2300
Total Supply	8723	8723	8143	9318	8798	8902	9138	1648	8810
Exports	125	125	138	80	150	207	75	0	115
Use	6900	6900	6900	7200	7000	7360	7300	0	7590
Loss	0	0	0	0	0	0	0	0	0
Total Dom. Cons.	6900	6900	6900	7200	7000	7360	7300	0	7590
Ending Stocks	1698	1698	1105	2038	1648	1335	1763	0	1105
Total Distribution	8723	8723	8143	9318	8798	8902	9138	0	8810
Stock to Use %	24.17082	24.17082	15.70048	27.99451	23.04895	17.64239	23.90508	0	14.34134
Yield	1288	1288	1295	1306	1244	1369	1254	0	1252
								TS=TD	

Import Trade Matrix

Turkey, Cotton

Units: Metric Tons

Time Period	Aug/July		Aug/June
Imports for:	MY2005		MY2006
U.S.	412761	U.S.	450335
Others		Others	
Greece	188522	Total C.I.S.	107823
Syria	45868	Greece	84196
Total C.I.S.	39986	India	78819
Free Z. Turkey	10578	Free Z. Turkey	16812
Brazil	6572	Syria	8772
Egypt	6005	Egypt	4848
W. Africa	4724	Brazil	1137
Israel	3527		
Australia	509		
Total for Others	306291		302407
Others not Listed	25160		17299
Grand Total	744212		770041

Units: Bails

Time Period	Aug/July		Aug/June
Imports for:	MY2005		MY 2006
U.S.	1898701	U.S.	2071541
Others		Others	
Greece	867201	Total C.I.S.	495,986
Syria	210993	Greece	387302
Total C.I.S.	183936	India	362567
Free Z. Turkey	48659	Free Z. Turkey	77335
Brazil	30231	Syria	40351
Egypt	27623	Egypt	22301
W. Africa	21730	Brazil	5230
Israel	16224		
Australia	2341		
Total for Others	1408938		1391072
Others not Listed	115736		79576
Grand Total	3423375		3542189